



**STATE OF DELAWARE
EXECUTIVE DEPARTMENT
OFFICE OF MANAGEMENT AND BUDGET**

Dear Valued Employee:

It is our goal to provide State of Delaware employees with access to the best possible benefits at the best possible price. This goal has driven our decision to enhance your disability insurance benefits. Effective January 1, 2006, you will be eligible for the new disability insurance program. This new benefit will provide you with income protection if you cannot work due to injury or illness.

The new disability insurance program is an alternative to the current disability benefits offered through the State Employees' Pension Plan. For the vast majority of State employees who, like you, are vested in the State Employees' Pension Plan benefit—five consecutive years or more of credited pension service—the new disability insurance program offers a better benefit, including: **Short-Term Disability Coverage, Higher Benefit Levels for Most Vested Employees, No Cost to You.**

Below is a personalized statement with a benefit comparison of the two disability options to assist you in deciding which election is best for you. There are two options: 1) the new disability insurance program and 2) the current disability pension plan. Your estimated salary and service used in the calculations are as of August 31, 2005.

<u>Option 1 – New Disability Insurance Program</u>		<u>Option 2 – Current Disability Pension Plan</u>	
Short Term Disability (Benefits begin on the 21st day and continue through the 182nd day of disability)	\$2500 monthly benefit	Disability Pension Plan (Disability benefits start the month following three full months of disability)	\$955 monthly benefit
Long Term Disability (Starting on the 183rd day of disability and continuing until recovery or eligibility for service pension benefit)	\$2000 monthly benefit		

This statement represents only an estimate of credited service and potential benefits. Actual service credit and benefits will be determined upon receipt of benefit. These figures are to be used for comparison purposes only.

You have the option to elect the new disability insurance program or remain eligible for the current disability pension benefits offered by the State Employees' Pension Plan. *This is a one-time election.* The enrollment period is from Monday, October 17, 2005, through Thursday, December 15, 2005. Visit the Office of Pensions' website at www.delawarepensions.com during the enrollment period to enroll.

To provide you with more details about the new disability insurance program, including how to make the decision whether to elect the new disability insurance program and how to enroll, we have included **Frequently Asked Questions**, a **Comparison Chart** and a **Benefits Highlight Summary** along with this letter. Please read these documents closely so you can familiarize yourself with the new disability insurance program enhancements.

The State of Delaware will also conduct employee information meetings in November. They will be held from 10-12 pm, 1-3pm, and 6-8 pm on the following dates and locations:

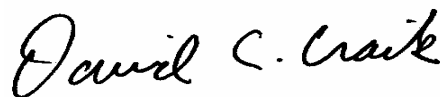
- 11/2 Delaware Technical & Community College (DT&CC) Stanton Campus
- 11/3 DT&CC Owens Campus
- 11/4 DT&CC Terry Campus
- 11/7 Carvel State Office Building
- 11/8 DT&CC Owens Campus
- 11/9 DT&CC Terry Campus.

If you have any questions about your disability benefit options, please call the Office of Pensions at 302-739-4208 or 800-722-7300.

Sincerely,



Christine Pochomis
Director, Statewide Benefits & Insurance Coverage



David Craik
Pension Administrator